

Environmental Management Systems

STARTRACK:

EPA's New England Office has a great deal to offer companies that want to do their part to protect the environment. In some ways, our boldest initiative promoting environmental stewardship is the new StarTrack program, in which companies voluntarily agree to assess their environmental management system (EMS) and compliance performance, and to have this performance certified by a third party in a public report. In return, EPA offers limited enforcement discretion, reduced inspections, and expedited permitting. The public also benefits, through better and more readily available information about a company's environmental performance.

EPA and the participating company work together to develop guidelines for audits of the company's compliance and environmental management systems by a third party. They also develop standards or qualifications for an auditor and the substance of the compliance certification, but the company is free to establish its own internal procedures to meet agreed-upon environmental goals. Additionally, EPA's New England Office and the company develop a schedule for correcting any first-time violations uncovered during audits. So long as the company meets this schedule, and the violation: 1) is neither criminal in nature nor presents an imminent and substantial danger to human health or the environment, or 2) has not resulted in a significant economic benefit, EPA will take no enforcement action for that violation.

EPA's Ties to ISO 14000: ISO's (International Standards Organization) Environmental Management Standards are a series of voluntary standards and guidelines that include environmental management systems, eco-labeling, environmental auditing, life-cycle assessment, environmental performance evaluation, and environmental aspects in product standards. ISO's standards do not set requirements for environmental compliance or for specific levels of pollution prevention and performance.

Like ISO 14000, StarTrack encourages businesses to scrutinize their environmental compliance and management system, set goals, and establish plans for improving performance. The program strives to build on a company's environmental management system, focusing on "beyond compliance" environmental performance. Companies making efforts to meet the ISO 14000 standards will be in a great position to participate in StarTrack.

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"By preventing pollution, we can have significant savings in production costs."
—Ronald V. Fernandes, Executive Vice President at Acushnet Rubber

Call 1-888-EPA-7341

ENVIRONMENTAL COST ACCOUNTING:

The suggested first step in preventing pollution is to create a consistent system for evaluating and addressing the environmental implications of activities. A key component to any environmental management system is the measurement of environmental performance, although these systems often fail to recognize the significance of financial measurement in this process. Unfortunately, most accounting systems do not provide accurate and timely environmental cost information because these costs are usually included in overhead accounts.

Environmental accounting can be defined differently, depending on the situation. For a firm that uses financial accounting for external audiences, environmental accounting refers to the estimation of environmental liabilities and financially material environmental costs that are publicly reported. For those that use managerial accounting for internal purposes, use of environmental accounting refers to data about environmental costs and performance that helps in decision-making and operations.

Many environmental costs can be significantly reduced or eliminated as a result of business decisions, including the sale of wastes or clean technology licensing and more accurate costing and pricing of products, which can aid in the design of more environmentally preferable processes, products, or services in the future. Accounting for environmental costs and performance can support the development and operation of an overall environmental management system.

EPA's New England Office offers environmental cost accounting literature to help businesses move in the right direction. EPA's Environmental Accounting Project is based at our office in Washington, DC, where they perform education, research, guidance, and outreach.

CONTACT:

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